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Held at Headquarters, New York, on Thursday, 4 December 2003, at 10 a.m.

Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.05 a.m.

Agenda item 121: Proposed programme budget for the biennium 2004-2005 (*continued*)

Capital master plan (A/58/7/Add.15, A/58/321, A/58/342 and A/58/599)

1. **Mr. Niwa** (Executive Director of the Capital Master Plan Office) introduced the report of the Secretary-General on the capital master plan (A/58/599), which outlined the work undertaken since the adoption of resolution 57/292, by which the General Assembly had authorized the implementation of the project. He was pleased to note that there had been tangible progress in key areas. He had been appointed Executive Director of the Capital Master Plan Office on 1 February 2003, enabling him to focus on the project on a full-time basis. Twenty staff, including nine Professionals, had been assigned to the Office and were managing both the project start-up and those aspects of the strengthening security projects related to the capital master plan. The host country was considering possible funding modalities, and it was hoped that it would announce a funding proposal in February 2004.

2. In resolution 57/292, section II, the General Assembly had requested the Secretary-General to submit to it the information used to determine the need for the three additional conference rooms foreseen in the baseline scope. Accordingly, the Department of General Assembly and Conference Management had analysed past demand for rooms and current requests in order better to determine future requirements. The General Assembly had also requested the Secretary-General to produce viable solutions for allowing natural light into the proposed new conference rooms. An architectural study had been completed and would be submitted to the General Assembly at its resumed fifty-eighth session. A separate study on methods of increasing available parking, where possible without added cost, would be submitted to the General Assembly, at the same time.

3. Concerning the design development and construction documentation, he said that an expression of interest notice had been posted on 24 December 2002, while a formal request for proposals had been issued in February 2003. Proposals had been submitted on 17 April 2003. The proposals had been evaluated and the shortlisted firms had made oral presentations. The contracts with the winning bidders were currently being finalized, and design work was expected to begin in early 2004.

4. The next procurement action would be the selection of a programme management firm. The selected firm would supplement the Organization's project management staff, perform an independent technical review of the design work, check inter-project coordination, and ensure that the project remained within budget and on schedule. The construction management firm was expected to be retained in late 2004.

5. The City of New York had decided to select an architect to design the swing space building on the basis of a design competition. The architects to be considered were those who had previously been named as Pritzker Architecture Prize laureates. The City had begun the selection process, in cooperation with the United Nations and the United Nations Development Corporation, and a final decision was expected in the coming weeks. The City had encountered some delays in securing acceptance by the local community of the proposed mitigation measures. The City had suggested that an esplanade should be constructed along the East River as compensation for the loss of the Robert Moses Playground, a project to which the United Nations would contribute an amount of from $10 to $12 million. That suggestion was being reviewed by the Community Board, and the City was considering additional solutions.

6. The capital components of the strengthening security projects had been integrated into the capital master plan. Construction was about to begin, funded by a provision of $17 million brought forward from the capital master plan.

7. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services) introduced the report of the Office of Internal Oversight Services on the United Nations capital master plan for the period from January to July 2003 (A/58/342), which outlined the monitoring by the Office of Internal Oversight Services (OIOS) of activities related to the capital master plan project. The Office had sought to ascertain whether adequate internal controls were in place for the design development phase of the project. It had also assessed the procedures and controls established by the Office of Central Support Services with respect to the

solicitation and evaluation of proposals from prospective contractors in the areas of architectural and engineering design. The Office of Internal Oversight Services was of the view that the process had advanced satisfactorily and that there was reasonable assurance to indicate that it had been transparent and fair. Internal controls in the request for proposals process also appeared adequate.

8. The firms selected would be responsible for developing the design, drawing and construction documentation for the six different components of the capital master plan project: Programme planning services, Infrastructure, General Assembly and Conference Buildings, Secretariat and South Annex, Dag Hammarskjöld Library, and Security. The 30 proposals submitted had been evaluated for technical competence using a standardized format and a scoring criteria system to determine which firm would be best qualified to perform the job. The lowest bids received for the six project components totalled approximately $40.1 million.

9. The Office's Internal Audit Division had developed a preliminary audit plan for the review of architectural and engineering contracts in the design development phase. The Office would pay particular attention to those areas that were susceptible to contributing to cost overruns and delays. In addition, it would monitor progress in the design and construction of the swing space, which was critical if the renovation project was to start on schedule. The preliminary audit plan would be updated periodically to include other pertinent areas as the renovation project moved through the various phases.

10. The main oversight challenge would commence in the next phase of the capital master plan project, when the United Nations would begin negotiating contracts with the firms selected to deliver an architectural and engineering design that would meet not only the requirements set out by the Secretariat, but also the expectations of Member States. The resources allotted to OIOS since March 2003 had allowed for the recruitment of only one auditor on a short-term basis to 31 December 2003. As the capital master plan project progressed and the level of contract-execution activities expanded, the Office would need additional financial resources and posts to provide the necessary oversight of the project's implementation.

11. **Mr. Gillette** (Chairman of the Audit Operations Committee, Board of Auditors), introducing the progress report of the Board of Auditors on the capital master plan (A/58/321), said that the forthcoming audit of the capital master plan project would be conducted in accordance with the Financial Regulations and Rules of the United Nations and common auditing standards. The Board planned to examine the capital master plan financial statements, evaluating project accounting, payment and reporting systems; to ascertain compliance with United Nations regulations and rules on procurement and contracting; to determine adherence to the terms of the contract, such as deliverables, time and material provisions; and to review the controls, including internal audit, and processes established to ensure proper management of the project. The scope of the audit would of course be confirmed with the Administration. Since the activities and actual expenditures related to the capital master plan were limited, the first audit report would cover the biennium ending on 31 December 2003. It would be transmitted to the General Assembly for consideration at its fifty-ninth session.

12. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/58/7/Add.15), said that the Advisory Committee had considered the report of the Secretary-General on the capital master plan (A/58/599). In paragraph 6 of its report, it welcomed the progress made in the current phase of the project. In paragraph 9, it noted that a separate study on the issue of parking would be submitted to the General Assembly at its resumed fifty-eighth session. The Advisory Committee's comments on the future management structure and staffing requirements of the project were contained in paragraphs 10 and 11; it noted that those matters were to be kept under review by the Under-Secretary-General for Management. In paragraph 12, the Advisory Committee recommended that, since the capital master plan would be a time-limited project, additional staffing for the plan should be requested in accordance with actual workload requirements in each phase. In that connection, it noted a number of factors that should be taken into account before proposals for additional staffing were submitted.

13. **Mr. Fineman** (United States of America) welcomed the significant progress made in the design development phase of the capital master plan project

and in implementing measures to strengthen security at Headquarters. He noted that the transparent selection process had enabled contracts for the project's various components to be signed in under a year. In that connection, inter-project coordination would be crucial, as would cooperation with the City and State of New York and the United Nations Development Corporation, which were key partners in ensuring the success of the capital master plan. The inclusion of representatives of the United Nations in the Corporation's design selection committee demonstrated the strong relationship already in place.

14. Concerning the staffing of the Capital Master Plan Office, he said that, without a detailed accounting of the posts, it was impossible to weigh the merits of the expertise brought together for the project. It was to be hoped that the management focus was robust enough to provide proper direction. At the same time, it was important to have sufficient technical expertise for a construction project of such magnitude. Oversight should be the responsibility primarily of OIOS and the Board of Auditors. Project management skills should be procured through contracts rather than by establishing posts; that would ensure that the number of staff could be increased or reduced with the ebb and flow of the project. The next annual progress report should contain a detailed accounting of the posts in the Capital Master Plan Office, including a matrix of the skills acquired.

15. **Mr. Farid** (Saudi Arabia) requested that a room should be set aside in the swing space building where Muslim delegates and staff members could pray five times a day. The room should be larger than that on the fourth floor of the Dag Hammarskjöld Library building, where Friday prayer was currently held. It would be appreciated if the room was carpeted and contained bookshelves for copies of the Holy Koran in various languages. A wooden step should also be installed, where the sheikh could stand to deliver his Friday address. He trusted that the Secretariat would respond positively to his request, which was of the utmost importance to the Muslims working in the United Nations.

Agenda item 129: Joint Inspection Unit (*continued*) (A/58/343/Add.1)

16. **Mr. Duque** (Chairman of the Joint Inspection Unit), introducing the report of the Joint Inspection Unit on the in-depth review of its statute and working methods (A/58/343/Add.1), recalled that the Joint Inspection Unit (JIU) had conducted a preliminary review of its statute and working methods, the outcome of which was described in document A/58/343. The Unit had come to the conclusion that, if it was to fulfil its mandate and meet the needs of the participating organizations more effectively, improvements must be made in its functioning and changes enacted, some of which might require the amendment of its statute. Following consultations with both Committee and the executive heads of the participating organizations, the Unit had observed that there was general agreement on the need, first, to maintain JIU, which was the only independent external oversight organ with system-wide competence, and, second, to implement reforms so as to improve its functioning. The Unit had therefore pursued its review, considering in depth the issues previously identified as weaknesses. The report now before the Committee (A/58/343/Add.1) contained a number of proposals for reform.

17. The process of selecting the Inspectors had long been an issue of concern, since Member States lacked the necessary guidance to ensure that the candidates they proposed met the qualifications stipulated in article 2 of the Unit's statute. It was therefore recommended that the General Assembly should consider adopting a job description and a list of desirable qualifications for members of the Unit (proposed action 1). The Assembly might also wish to endorse new procedures for the establishment of an Advisory Candidate Review Panel, as described in paragraph 9 of the report, to assist the President of the General Assembly in the performance of the duties assigned under article 3 of the statute (proposed action 2).

18. In a draft strategic framework annexed to the preliminary review, a new mission statement had been proposed for the Unit (A/58/343, annex). The Inspectors had since adopted the strategic framework. In the report under consideration, they proposed that the General Assembly should review article 5 of the statute to assess whether it still reflected accurately the functions and mandate of the Unit. The General Assembly might also wish to concur with the strategic framework (proposed action 4).

19. The statute required that reports, which were prepared by individual Inspectors, should be finalized after consultations among the Inspectors so as to test the recommendations being made against the collective

wisdom of the Unit. However, there was no requirement for Unit approval of the reports. The Inspectors therefore proposed that the General Assembly should clarify further whether full responsibility for all reports rested collectively with the Unit, in which case they should be issued as reports of the Unit, or whether Inspectors should continue signing their respective reports, in which case they should bear individual responsibility for their contents (proposed action 5). The first option might require amendment of the statute.

20. Currently, the Chairman of the Unit was elected annually by the members, and his authority and responsibilities were rather vague. Accordingly, the Inspectors proposed that the General Assembly should determine the modalities for the election of the Chairman and the applicable conditions of service (proposed action 6). The Assembly might wish to draw on the examples of the Advisory Committee and the International Civil Service Commission and have the Chairman elected for a longer period. It might also wish to ensure that the Chairman's authority and responsibilities were more clearly defined.

21. **Mr. Cissé** (Senegal) welcomed the opportunity to discuss the report of the Joint Inspection Unit publicly and openly; the Member States saw the task of improving the administrative and managerial efficiency of the Joint Inspection Unit as part of the reform of the Organization as a whole. The head of his country's delegation had stated the same position in the general debate in the General Assembly in connection with the revitalization of the work of the General Assembly, reform of the United Nations and strengthening of the United Nations system.

22. The Joint Inspection Unit, as the only independent external oversight body responsible for evaluating the Organization's efficiency, should be given resources which matched its objectives regarding the improvement of the efficiency of the administrative and financial functioning of the United Nations. Its human resources must be consolidated by at least maintaining, if not increasing, the number of Inspectors (currently three from the Group of Western European and Other States and two from each of the other regional groups). The number of research staff (currently seven) had long been considered too small. The answer some had proposed was simply to reduce the number of Inspectors in order to redress the balance, whereas the obvious solution was to increase the number of research staff. The staffing level of the Joint Inspection Unit had not changed in 30 years, despite a 30-per-cent increase in the number of Member States. The functions of the Joint Inspection Unit should move beyond investigation, evaluation and proposals for reform to encompass monitoring of recommendations and meeting the demand for inspections from the executive heads of participating organizations.

23. Turning to the status of the Inspectors, he said that tried-and-tested rules governing selection and appointment must be maintained: there was no need to reinvent the wheel, nor was there any need to turn the Inspectors into management consultants, accountants or auditors, in competition with the existing Board of Auditors. It was obvious that the Inspectors must have proven administrative and financial expertise, but there was no justification for making the Unit inaccessible to all but financial and budgetary experts. Such an approach would be too simplistic, inflexible and even sectarian. International or diplomatic experience and knowledge of the United Nations system were just as valuable. For those reasons, his delegation agreed with the Advisory Committee that the relevant parts of the statute of the Unit should be adhered to.

24. Participating organizations had apparently felt that the Unit's reports lacked relevance and depth when measured against the goal of more efficient management and rational use of resources. A number of steps taken since 1996 to alter internal procedures and keep strictly to the terms of the Unit's statute had removed the grounds for such criticism. Unfortunately and significantly, the participating organizations themselves had regularly refused to assume their own obligations under the Unit's statute even though the Unit had improved the preparation of its programme of work and reports.

25. His delegation could see no reason to alter the status or method of selection of the Chairman of the Unit, the system of automatic annual rotation or the duration of the Chairman's mandate, and still less to alter his or her level, which should remain at D-2, like that of the other Inspectors.

26. Arbitrary changes in method would do nothing to improve the operation of the Unit. They might even harm it and also violate the principle of equitable geographical distribution without producing the rotation sought. His delegation was satisfied with the

current geographical distribution, even if it considered that the two posts allocated to the African Group could be increased. If any change were to be forced through, it would pit the regional groups against each other, sow discord among the Member States and give the Africans, in particular, justifiable grounds to speculate on the real motives behind such a course of action.

27. Any reform of the Joint Inspection Unit must be methodical, transparent and consensual. There must be no hasty action which could harm the operation both of the Unit itself and of the Organization as a whole.

28. **Mr. Farid** (Saudi Arabia) said that his delegation concurred that the General Assembly should adopt a job description and a list of desirable qualifications for members of the Unit against which the suitability of the candidates proposed by Member States could be judged. It also supported the proposal for the establishment of an Advisory Candidate Review Panel.

29. The role of the Unit should consist in helping participating organizations to become more effective and strengthening the United Nations common system as a whole. Accordingly, its programme of work should be established by the General Assembly and should include issues and areas that the Assembly saw as vital for the enhancement of the efficiency and productivity of participating organizations. Strengthening the role of the Chairman of the Unit and lengthening his or her term of office would enhance the coherence and effectiveness of the Unit's work. The Chairman should be appointed at the Under-Secretary-General level, while the other Inspectors should remain at the D-2 level. Lastly, the relocation of the Unit from Geneva to New York would allow for more constructive interaction between the Inspectors and the members of the Committee.

30. The changes proposed in the work of the Unit should be implemented at the earliest opportunity and, in any case, not later than January 2006.

31. **Mr. Repasch** (United States of America) said that while earlier issuance of the report of the Joint Inspection Unit would have given his and other delegations more time to consider it, it was nevertheless welcome because it gave the General Assembly sufficient guidance to come to a decision on the reform of the Unit.

32. His delegation agreed with the view expressed in paragraph 8 of the Unit's report that the General Assembly should approve a job description for Inspectors; the matter of the Inspectors' qualifications had been raised often in the past during discussion of ways to make the Unit more effective. It also endorsed the proposal in paragraph 9 of the report that an Advisory Candidate Review Panel might be established.

33. His delegation had long held the view that the ratio of research staff to Inspectors must be changed, and had noted the views expressed by the Unit in paragraphs 12 to 15 of its report. It believed that the proper approach would be to have more research staff and fewer Inspectors since, as the Unit pointed out in paragraph 13 of the report, it was unlikely that the Member States would approve a net increase in resources. It was disappointed that the Unit had not proposed further action and had stated only that the General Assembly might wish to review the ratio of research staff to Inspectors. The Inspectors themselves, including the Chairman of the Unit, had amassed valuable experience. His delegation would have preferred them to have proposed a more specific course of action on the matter.

34. In paragraph 18 of its report, the Unit indicated that the Inspectors had not often examined the question of efficiency and effectiveness. That situation must change, since efficiency and effectiveness clearly fell within the remit of the Unit. His delegation urged the Inspectors to produce reports and pursue reviews, inspections and investigations on those issues, which coincided with and would contribute to the business of the Fifth Committee. His delegation took issue, however, with the view expressed in paragraph 21 of the report that the Unit should be seen as fulfilling a role akin to management consulting. The Unit was an external oversight body the function of which was to provide governing bodies, rather than department heads, with objective views on particular issues. There were other bodies dealing with internal oversight which did perform a consulting function.

35. His delegation agreed with the action proposed in paragraph 29 of the report, and believed that the responsibility for reports issued by the Joint Inspection Unit should lie collectively with its Inspectors. Inspectors signed their reports individually, but, like other oversight bodies, the Unit must preserve its own hierarchy and authority. The Unit must make a greater effort to make sure that its reports met its own collective standard. His delegation had been aware for

some time that the governing bodies of the participating organizations, and at times the Fifth Committee itself, had failed to give proper consideration to reports of the Unit. The situation would improve as the Unit itself improved, since governing bodies had often taken the view that the Unit's reports were complicated, lacked quality and contained impractical recommendations.

36. His delegation agreed with the views expressed in section V of the report, which covered administrative, budgetary and financial arrangements. The Chairman must be given more authority to ensure that reports reflected and adhered to agreed standards and provided appropriate advice.

37. Finally, he wondered whether the Chairman of the Advisory Committee and the Chairman of the Joint Inspection Unit wished to comment on the effectiveness of the Unit and how it could be improved. After many years with the Organization, they were soon to leave their current duties and their experience might provide additional insight into the matter.

38. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, commended the Joint Inspection Unit for having taken less than two months to return to the Committee, in response to its request at the Committee's 2nd meeting, with a final report containing proposed actions to improve its own performance. The Unit must alter its working practices and statute and emerge from reform stronger and better able to fulfil its mandate as the only system-wide oversight body.

39. The European Union believed that the problems of the Unit could be addressed by focusing, firstly, on the method of selecting new Inspectors, secondly, on the strengthening of the Chairman's role, and, thirdly, on the establishment of collective responsibility for the work of the Unit. The selection of Inspectors was a political process, qualifications being only one among several other considerations. In order to enhance the Unit's capabilities, that system should be replaced by one which allowed all candidates from a specific region to apply for posts. As for the Chairman's role, article 18 of the statute of the Unit, as currently worded, gave the Chairman only limited, merely representative, functions. The European Union proposed that the Chairman should be elected for a three-year term and be responsible for the Unit's programme of work and the quality of its reports. With regard to collective responsibility, the current notion of individual and collective responsibility for reports was a weakness. The quality of the reports could only be improved if the Unit acted with collective responsibility and if the Chairman vouched for the quality of the Inspectors' reports.

40. The previous week the officers of the Committee had decided not to allocate any further time to informal discussions on the programme of work of the Joint Inspection Unit, and to incorporate the discussion of the reform of the Unit into the discussion of section 31 of the programme budget. The European Union was willing to continue the debate, but it had been in progress for years and the Unit had now made specific proposals. The time had come to take action, even though so little time remained in the main part of the fifty-eighth session.

41. **Ms. Goicochea** (Cuba) said that her attention had been caught by the observation made by the representative of Italy that it had been decided that the discussion of the reform of the Joint Inspection Unit would be incorporated into the discussion of section 31 of the programme budget. She asked whether that was indeed the case. Her delegation was not willing to accept such action The issue of the Joint Inspection Unit had been allocated a separate agenda item, and it should be treated as such.

42. **Mr. Kramer** (Canada), speaking also on behalf of Australia and New Zealand, said that the three delegations had explained their position on the reform of the Joint Inspection Unit during the initial debate on the matter at the Committee's 2nd meeting. He did not wish to repeat what they had said, but merely to commend the Unit for having reacted rapidly to the Committee's request for specific proposals for action. He had nothing to add to the pertinent observations of the representatives of Italy and the United States. He wondered what specific action the General Assembly should take. The delegations of Australia, Canada and New Zealand were willing to continue work on the matter in any forum and, if appropriate, in connection with section 31 of the programme budget.

43. **Ms. Udo** (Nigeria) said that, like the representative of Cuba, she wished to know how the

Committee proposed to continue discussing the reform of the Joint Inspection Unit. Her delegation had sought information on that matter informally, but had just learned that the officers of the Committee had already come to a decision. She asked the Chairman to elaborate on that decision.

44. **The Chairman** said that he would ask the representative of Italy for clarification of his statement since the officers of the Committee were not entitled to take the kind of decision to which he had referred.

45. **Mr. Ng'ongolo** (United Republic of Tanzania) commended the Joint Inspection Unit for incorporating the views of participating organizations in its report. In particular, he supported the statements of the representatives of Senegal and the United States. The only specific comment he wished to make related to the ratio of research staff to Inspectors. The statute of the Joint Inspection Unit, in article 5, paragraph 2, of Chapter III (Functions, powers and responsibilities) stated that the Inspectors "shall provide an independent view through inspection and evaluation aimed at improving management and methods and at achieving greater coordination between organizations". The matter of safeguarding an independent view must be clarified. The ratio of research staff to Inspectors, meanwhile, was determined by the competence of the Inspectors themselves. Because the function of research staff was to provide assistance, appointing more researchers suggested an effort to make up for the ineffectiveness of Inspectors. The ratio of research staff to Inspectors must be maintained and all Member States nominating candidates for Inspector posts must adhere to the stipulations of the statute regarding qualifications.

46. **Mr. Duque** (Chairman of the Joint Inspection Unit) said that he had very little to add to his previous comments, but he wished to thank the representative of the United States for the tribute he had paid to his experience with the Organization and to respond to his observation that the Unit could have provided more detailed recommendations on the ratio of research staff to Inspectors. The recommendations in the report had emerged from a consensus among all the Inspectors. If he had one piece of advice for the Committee, it was to avoid politicizing the issue. It should be seen instead from the standpoint of making use of the Unit as a valuable mechanism and trusted ally. It was the only system-wide external oversight body. Any improvements to its operation could only be to the benefit of all the Member States. The Unit had undertaken an unprecedented, honest, open and transparent examination of its own acknowledged shortcomings. It was up to the Committee to make a final judgement on the proposals it had made.

The meeting rose at 11.10 a.m.